



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

SelectCare HMO, Inc.

NAIC Group Code 1311 1311 NAIC Company Code 95464 Employer's ID Number 38-2598455  
(Current Period) (Prior Period)

Organized under the Laws of Michigan. State of Domicile or Port of Entry Michigan

Country of Domicile US

Licensed as business type:

Life Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [ X ] Is HMO Federally Qualified? Yes (X) No ( )

Incorporated December 3, 1984 Commenced Business July 1, 1986

Statutory Home Office 2850 West Grand Boulevard, Detroit, Michigan 48202  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 2850 West Grand Boulevard, Detroit, Michigan 48202 313-872-8100  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 2850 West Grand Boulevard, Detroit, Michigan 48202  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 2850 West Grand Boulevard, Detroit, Michigan 48202  
(Street and Number, City or Town, State and Zip Code)  
313-872-8100  
(Area Code) (Telephone Number)

Internet Website Address www.selectcare.com

Statement Contact Ronald W. Berry 313-664-8559  
(Name) (Area Code) (Telephone Number) (Extension)  
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Policyowners Relations Contact and Phone Number 2850 West Grand Boulevard, Detroit, Michigan 48202  
(Street and Number, City or Town, State and Zip Code)  
313-872-8100  
(Area Code)(Telephone Number)

OFFICERS

President ..... Cleve Lee Killingsworth, Jr.  
Secretary ..... Maurice E. McMurray  
Treasurer ..... Joseph E. Schmitt, III

OTHER OFFICERS

Asst. Secretary: Deborah Tasich Withrow

DIRECTORS OR TRUSTEES

Cleve Lee Killingsworth, Jr. Maurice Eugene McMurray Francine Parker

State of Michigan SS  
County of Wayne

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Cleve Lee Killingsworth, Jr. Maurice E. McMurray Joseph E. Schmitt, III  
President Secretary Treasurer

Subscribed and sworn to before me this  
day of

NOTARY PUBLIC (Seal)

ASSETS

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds .....				
2. Stocks:				
2.1 Preferred Stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			(a).....	
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... (532,265) ) and short-term investments (\$ .... 26,322,492 ) .....	25,790,227		25,790,227	44,414,779
6. Other long-term invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....	500,000		500,000	500,000
9. Subtotal cash and invested assets (Lines 1 to 8) .....	26,290,227		26,290,227	44,914,779
10. Accident and health premiums due and unpaid .....				2,326,578
11. Health care receivables .....				80,953
12. Amounts recoverable from reinsurers .....				265,321
13. Net adjustments in assets and liabilities due to foreign exchange rates .....				
14. Investment income due and accrued .....	42,615		42,615	82,658
15. Amounts due from parent, subsidiaries and affiliates .....	2,734,729		2,734,729	3,289,175
16. Amounts receivable relating to uninsured accident and health plans .....				
17. Furniture and equipment .....				
18. Amounts due from agents .....				
19. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....				
20. Electronic data processing equipment and software .....				
21. Other nonadmitted assets .....				
22. Aggregate write-ins for other than invested assets .....				3,567
23. Total assets (Lines 9 plus 10 through 22) .....	29,067,571		29,067,571	50,963,031
DETAILS OF WRITE-INS				
0801. Restricted Cash and Other Assets .....	500,000		500,000	500,000
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 through 0803 plus Line 0898) (Line 8 above) .....	500,000		500,000	500,000
2201. Other Receivables .....				3,567
2202. ....				
2203. ....				
2298. Summary of remaining write-ins for Line 22 from overflow page .....				
2299. Totals (Lines 2201 through 2203 plus Line 2298) (Line 22 above) .....				3,567

(a) \$ ..... health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ reinsurance ceded)	21,169,870	1,044,054	22,213,924	44,382,548
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses				
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance				
7. General expenses due or accrued	51,735		51,735	839,015
8. Federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses) (including \$ net deferred tax liability)				
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
11. Amounts due to parent, subsidiaries and affiliates	31,030		31,030	41,161
12. Payable for securities				
13. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
14. Reinsurance in unauthorized companies				
15. Net adjustments in assets and liabilities due to foreign exchange rates				
16. Liability for amounts held under uninsured accident and health plans				
17. Aggregate write-ins for other liabilities (including \$ current)	46,187		46,187	44,483
18. Total liabilities (Lines 1 to 17)	21,298,822	1,044,054	22,342,876	45,307,207
19. Common capital stock	X X X	X X X	3,000	3,000
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X	6,997,000	6,997,000
22. Surplus notes	X X X	X X X		
23. Aggregate write-ins for other than special surplus funds	X X X	X X X		
24. Unassigned funds (surplus)	X X X	X X X	(275,305)	(1,344,176)
25. Less treasury stock, at cost:				
25.1 shares common (value included in line 19 \$ )	X X X	X X X		
25.2 shares preferred (value included in line 20 \$ )	X X X	X X X		
26. Total capital and surplus (Lines 19 to 24 less 25)	X X X	X X X	6,724,695	5,655,824
27. Total Liabilities, capital and surplus (Line 18 and Line 26)	X X X	X X X	29,067,571	50,963,031
DETAILS OF WRITE-INS				
1701. Miscellaneous	46,187		46,187	44,483
1702.				
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. Totals (Lines 1701 through 1703 plus Line 1798) (Line 17 above)	46,187		46,187	44,483
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus Line 2398) (Line 23 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year
	1	2	3
	Uncovered	Total	Total
1. Member Months .....	X X X		1,222,539
2. Net premium income .....	X X X	970,154	203,713,271
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$ ..... medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X		
7. Total revenues (Lines 2 to 6) .....	X X X	970,154	203,713,271
Medical and Hospital:			
8. Hospital/medical benefits .....			153,372,509
9. Other professional services .....			
10. Outside referrals .....			4,496,498
11. Emergency room and out-of-area .....			10,304,475
12. Prescription drugs .....			
13. Aggregate write-ins for other medical and hospital .....			17,986,639
14. Incentive pool and withhold adjustments .....			
15. Subtotal (Lines 8 to 14) .....			186,160,121
Less:			
16. Net reinsurance recoveries .....			
17. Total medical and hospital (Line 15 minus Line 16) .....			186,160,121
18. Claims adjustment expenses .....			3,740,169
19. General administrative expenses .....			23,856,748
20. Increase in reserves for accident and health contracts .....			
21. Total underwriting deductions (Lines 17 through 20) .....			213,757,038
22. Net underwriting gain or (loss) (Lines 7 minus 21) .....	X X X	970,154	(10,043,767)
23. Net investment income earned .....		329,244	1,946,334
24. Net realized capital gains or (losses) .....			252,964
25. Net investment gains or (losses) (Line 23 plus Line 24) .....		329,244	2,199,298
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
27. Aggregate write-ins for other income or expenses .....		(2,168)	
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....		1,297,230	(7,844,469)
29. Federal and foreign income taxes incurred .....	X X X	228,359	(2,892,473)
30. Net income (loss) (Line 28 minus Line 29) .....	X X X	1,068,871	(4,951,996)
DETAILS OF WRITE-INS			
0601. ....	X X X		
0602. ....	X X X		
0603. ....	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X		
0699. Totals (Lines 0601 through 0603 plus Line 0698) (Line 6 above) .....	X X X		
1301. Pharmaceuticals .....			26,479,351
1302. COB & Subrogation .....			(4,713,478)
1303. Co-Payments & Other .....			(3,779,234)
1398. Summary of remaining write-ins for Line 13 from overflow page .....			
1399. Totals (Lines 1301 through 1303 plus Line 1398) (Line 13 above) .....			17,986,639
2701. Miscellaneous .....		(2,168)	
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page .....			
2799. Totals (Lines 2701 through 2703 plus Line 2798) (Line 27 above) .....		(2,168)	

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year to Date	Prior Year
31. Capital and surplus prior reporting period .....	5,655,824	16,588,413
GAINS AND LOSSES TO CAPITAL AND SURPLUS		
32. Net income (loss) from Line 30 .....	1,068,871	(4,951,996)
33. Change in valuation basis of aggregate policy and claims reserves .....		
34. Net unrealized capital gains and losses .....		12,809
35. Change in net unrealized foreign exchange capital gain or (loss) .....		
36. Change in net deferred income tax .....		(655,288)
37. Change in nonadmitted assets .....		661,886
38. Change in unauthorized reinsurance .....		
39. Change in treasury stock .....		
40. Change in surplus notes .....		
41. Cumulative effect of changes in accounting principles .....		
42. Capital Changes:		
42.1 Paid in .....		
42.2 Transferred from surplus (Stock Dividend) .....		
42.3 Transferred to surplus .....		
43. Surplus adjustments:		
43.1 Paid in .....		
43.2 Transferred to capital (Stock Dividend) .....		
43.3 Tranferred from capital .....		
44. Dividends to stockholders .....		(6,000,000)
45. Aggregate write-ins for gains or (losses) in surplus .....		
46. Net change in capital and surplus (Lines 32 to 45) .....	1,068,871	(10,932,589)
47. Capital and surplus end of reporting period (Line 31 plus 46) .....	6,724,695	5,655,824
DETAILS OF WRITE-INS		
4501. ....		
4502. ....		
4503. ....		
4598. Summary of remaining write-ins for Line 45 from overflow page .....		
4599. Totals (Lines 4501 through 4503 plus 4598) (Line 45 above) .....		

CASH FLOW

	1	2
	Current Year to Date	Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	3,296,732	203,133,628
2. Claims and claims adjustment expenses	21,822,351	174,989,158
3. General administrative expenses paid	785,970	23,755,445
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(19,311,589)	4,389,025
6. Net investment income	369,277	2,383,295
7. Other income (expenses)	1,704	(74,118)
8. Federal and foreign income taxes (paid) recovered	(228,359)	2,892,473
9. Net cash from operations (Lines 5 to 8)	(19,168,967)	9,590,675
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		
10.2 Stocks		23,988,527
10.3 Mortgage Loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		(252,964)
10.8 Total investment proceeds (Lines 10.1 to 10.7)		23,735,563
11. Cost of investment acquired (long-term only):		
11.1 Bonds		
11.2 Stocks		14,811,025
11.3 Mortgage Loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)		14,811,025
12. Net cash from investments (Line 10.8 minus Line 11.7)		8,924,538
Cash from Financing and Miscellaneous Sources		
13. Cash Provided:		
13.1 Surplus notes, capital and surplus paid in		
13.2 Net transfers from affiliates		
13.3 Borrowed funds received		
13.4 Other cash provided		
13.5 Total (Lines 13.1 to 13.4)		
14. Cash applied:		
14.1 Dividends to stockholders paid		6,000,000
14.2 Net transfers to affiliates	(544,415)	2,590,657
14.3 Borrowed funds repaid		
14.4 Other applications		
14.5 Total (Lines 14.1 to 14.4)	(544,415)	8,590,657
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	544,415	(8,590,657)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	(18,624,552)	9,924,556
17. Cash and short-term investments:		
17.1 Beginning of period	44,414,779	34,490,223
17.2 End of period (Line 16 plus Line 17.1)	25,790,227	44,414,779

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1  Total	Comprehensive (Hospital and Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....										
2. First Quarter .....										
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....										
Total Member Ambulatory Encounters for Period:										
7. Physician .....										
8. Non-Physician .....										
9. Total .....										
10. Hospital Patient Days Incurred .....										
11. Number of Inpatient Admissions .....										
12. Premiums Collected .....	3,296,732		1,889,485				1,407,247			
13. Premiums Earned .....	970,154		775,692				194,462			
14. Amount Paid for Provision of Health Care Services .....	21,822,351	106,581	14,469,689				1,774,868	5,424,584		46,629
15. Amount Incurred for Provision of Health Care Services .....										

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

	1	2	3	4	5	6	7
	Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
0399999	Aggregate accounts not individually listed-covered .....					22,213,924	22,213,924
0499999	Subtotals .....					22,213,924	22,213,924
0799999	Total claims payable .....						22,213,924



UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 plus 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (Hospital and Medical) .....	14,969,172		17,558,684		32,527,856	32,286,911
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan Premiums .....	1,774,868		1,951,869		3,726,737	3,994,429
6. Title XVIII - Medicare .....	5,424,584		2,703,371		8,127,955	8,101,208
7. Title XIX - Medicaid .....						
8. Other .....						
9. Subtotal .....	22,168,624		22,213,924		44,382,548	44,382,548
10. Medical incentive pools, accruals and disbursements .....						
11. Totals .....	22,168,624		22,213,924		44,382,548	44,382,548

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes ( ) No (X)
- 1.2

If yes, explain:
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ( ) No (X)
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes ( ) No ( )
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ( ) No (X)
- 3.2

If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?  
  
If yes, attach an organizational chart.

Yes ( ) No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ( ) No (X)
- 5.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
  
If yes, attach an explanation.

Yes ( ) No ( ) N/A (X)
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1997
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1997
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/12/1999
- 7.4

By what department or departments?  
  
The Michigan Insurance Bureau.
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ( ) No (X)
- 8.2

If yes, give full information

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes ( ) No (X)

9.2 If yes, explain

.....  
.....  
.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ( ) No (X)

10.2 If yes, give full and complete information relating thereto:

.....  
.....  
.....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ .....

12. Amount of real estate and mortgages held in short-term investments: \$ .....

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ( ) No (X)

13.2 If yes, please complete the following:

	<sup>1</sup> Prior Year-End Statement Value	<sup>2</sup> Current Quarter Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
13.24 Short-Term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....	\$ .....	\$ .....
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

14.1 Does the reporting entity have any hedging transactions reported on schedule DB? Yes ( ) No (X)

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ( ) No ( )

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<sup>1</sup> Name of Custodian(s)	<sup>2</sup> Custodian Address
Bank One .....	Detroit, Michigan .....
.....	.....
.....	.....

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<sup>1</sup> Name(s)	<sup>2</sup> Location(s)	<sup>3</sup> Complete Explanation(s)
.....	.....	.....
.....	.....	.....
.....	.....	.....

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes ( ) No (X)

15.4 If yes, give full and complete information relating thereto:

<sup>1</sup> Old Custodian	<sup>2</sup> New Custodian	<sup>3</sup> Date of Change	<sup>4</sup> Reason
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

15.5 Identifiy all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<sup>1</sup> Central Registration Depository	<sup>2</sup> Name(s)	<sup>3</sup> Address
Not Applicable. ....	.....	.....
.....	.....	.....
.....	.....	.....

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Schedule A, Verification  
**NONE**

Schedule B, Verification  
**NONE**

Schedule BA, Verification  
**NONE**

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Schedule D, Part 1B  
**NONE**

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals .....	26,322,492	X X X	26,322,492	329,244	

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book / adjusted carrying value, beginning of period .....		31,635,894		2,670,590
2. Cost of short-term investments acquired .....	31,635,894			
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				15,870
6. Consideration received on disposal of short-term investments .....		5,313,402		2,686,460
7. Book / adjusted carrying value, current period .....	31,635,894	26,322,492		
8. Total valuation allowance .....				
9. Subtotal (Line 7 plus Line 8) .....	31,635,894	26,322,492		
10. Total nonadmitted amounts .....				
11. Statement value (Line 9 minus Line 10) .....	31,635,894	26,322,492		
12. Income collected during period .....	220,673	369,277		20,280
13. Income earned during period .....	191,437	329,244		20,280

**Page 16**

Sch. DB, Pt. F, Sn. 1, Summary Replicated (Syn.) Assets Open  
**NONE**

**Page 17**

Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets  
**NONE**

**Page 18**

Schedule S - Ceded Reinsurance  
**NONE**

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS


Allocated by States and Territories

				1	2	Direct Business Only Year-to-Date			
						3	4	5	6
States, Etc.			Guaranty Fund (Yes or No)	Is Insurer Licensed ? (Yes or No)		Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1.	Alabama	AL	NO	NO					
2.	Alaska	AK	NO	NO					
3.	Arizona	AZ	NO	NO					
4.	Arkansas	AR	NO	NO					
5.	California	CA	NO	NO					
6.	Colorado	CO	NO	NO					
7.	Connecticut	CT	NO	NO					
8.	Delaware	DE	NO	NO					
9.	District of Columbia	DC	NO	NO					
10.	Florida	FL	NO	NO					
11.	Georgia	GA	NO	NO					
12.	Hawaii	HI	NO	NO					
13.	Idaho	ID	NO	NO					
14.	Illinois	IL	NO	NO					
15.	Indiana	IN	NO	NO					
16.	Iowa	IA	NO	NO					
17.	Kansas	KS	NO	NO					
18.	Kentucky	KY	NO	NO					
19.	Louisiana	LA	NO	NO					
20.	Maine	ME	NO	NO					
21.	Maryland	MD	NO	NO					
22.	Massachusetts	MA	NO	NO					
23.	Michigan	MI	NO	YES	775,692				194,462
24.	Minnesota	MN	NO	NO					
25.	Mississippi	MS	NO	NO					
26.	Missouri	MO	NO	NO					
27.	Montana	MT	NO	NO					
28.	Nebraska	NE	NO	NO					
29.	Nevada	NV	NO	NO					
30.	New Hampshire	NH	NO	NO					
31.	New Jersey	NJ	NO	NO					
32.	New Mexico	NM	NO	NO					
33.	New York	NY	NO	NO					
34.	North Carolina	NC	NO	NO					
35.	North Dakota	ND	NO	NO					
36.	Ohio	OH	NO	NO					
37.	Oklahoma	OK	NO	NO					
38.	Oregon	OR	NO	NO					
39.	Pennsylvania	PA	NO	NO					
40.	Rhode Island	RI	NO	NO					
41.	South Carolina	SC	NO	NO					
42.	South Dakota	SD	NO	NO					
43.	Tennessee	TN	NO	NO					
44.	Texas	TX	NO	NO					
45.	Utah	UT	NO	NO					
46.	Vermont	VT	NO	NO					
47.	Virginia	VA	NO	NO					
48.	Washington	WA	NO	NO					
49.	West Virginia	WV	NO	NO					
50.	Wisconsin	WI	NO	NO					
51.	Wyoming	WY	NO	NO					
52.	American Samoa	AS	NO	NO					
53.	Guam	GU	NO	NO					
54.	Puerto Rico	PR	NO	NO					
55.	U.S. Virgin Islands	VI	NO	NO					
56.	Canada	CN	NO	NO					
57.	Aggregate Other Alien	OT	X X X	X X X					
58.	Total (Direct Business)		X X X	(a) 1	775,692				194,462
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798.	Summary of remaining write-ins for Line 57 from overflow page								
5799.	Total (Lines 5701 through 5703 plus Line 5798) (Line 57 above)								

(a) Insert the number of yes responses except for Canada and Other Alien.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	No
EXPLANATION:	
.....	
.....	
BARCODE:	
Document Identifier 470:	9 5 4 6 4 2 0 0 2 4 7 0 0 0 0 0 2 



**Page E01**

Sch. A, Pt. 2, Real Estate Acquired  
**NONE**

Sch. A, Pt. 3, Real Estate Sold  
**NONE**

**Page E02**

Schedule B, Part 1, Mortgage Loans Acquired  
**NONE**

Schedule B, Part 2, Mortgage Loans Sold  
**NONE**

**Page E03**

Sch. BA, Pt. 1, Other Long-Term Invested Assets Acquired  
**NONE**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Sold  
**NONE**

**Page E04**

Schedule D, Part 3, Long - Term Bonds and Stocks Acquired  
**NONE**

**Page E05**

Schedule D, Part 4, Long - Term Bonds and Stocks Disposed Of  
**NONE**

**Page E06**

Schedule DB, Part A, Section 1  
**NONE**

Schedule DB, Part B, Section 1  
**NONE**

**Page E07**

Schedule DB, Part C, Section 1  
**NONE**

Schedule DB, Part D, Section 1  
**NONE**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2  Rate of Interest	3  Amount of Interest Received During Current Quarter	4  Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8
					5	6	7	*
Name	Location and Supplemental Information				First Month	Second Month	Third Month	
Open Depositories								
Bank One	Detroit, Michigan				(1,471,141)	(534,853)	(532,265)	
0199999	TOTAL - Open Depositories				(1,471,141)	(534,853)	(532,265)	
0399999	TOTAL Cash on Deposit				(1,471,141)	(534,853)	(532,265)	
0599999	TOTALS				(1,471,141)	(534,853)	(532,265)	